

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:6718
ANSWERED ON:10.05.2002
RURAL BRANCHES OF MULTINATIONAL BANKS
GEORGE EDEN

Will the Minister of FINANCE be pleased to state:

- (a) the total number of rural branches of multinational banks at present functioning in the country, State-wise;
- (b) whether it is fact that multinational banks are opening their branches only in the cities;
- (c) if so, the details thereof;
- (d) whether they do not have any obligation to open the branches in rural areas; and
- (e) if so, the reasons therefore ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a),(b)&(c): According to Reserve Bank of India as on 30th April, 2002, 40 Foreign Banks were operating in India with 191 branches. None of these branches are in rural areas. These banks have branches only in metropolitan, urban and semi-urban centres and their State/ Union Territory-wise details are given in Annexure.

(d)&(e): Foreign banks have not been insisted upon to open branches in rural areas because they are allowed to operate only limited number of branches and their presence is aimed at utilization of their core competence in corporate finance, treasury management, export financing and international loan syndication etc.